

Proving The Point!

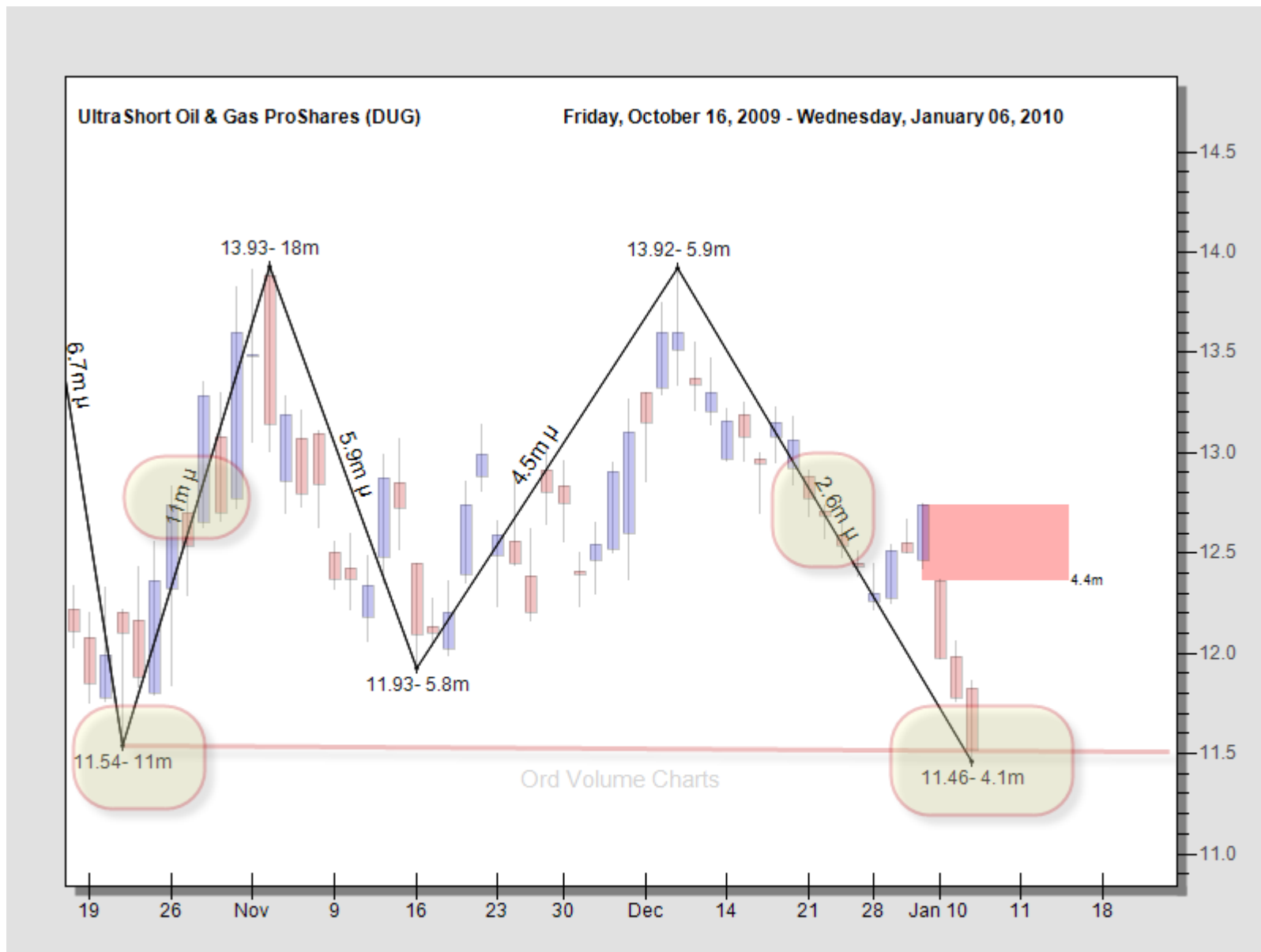
The Newsletter For The Shorter Term Ord Volume Trader

Today:

We have not seen many signals of late and this is the first one. We look for changes in volume where stocks change near 50% and where ETF's and index's change 25%. 50% or more is huge in DUG and we will most likely have our signal on the open. We could wait another few days but we would just rather set a larger stop and place the trade at the open.

So we will be long DUG (short energy sector) at the open with a stop at \$10.90. We suspect to have many shorts show up in stocks in the next few days.

Examples:



Any open above 11.54 and we would be long. This is a short play on energy.

Current Trades:

None:

Past Trades:

Stock	Position	Date Started	Date Completed	Entry Price	Exit Price	P/L	%
DUG	Long	11/17/2009	12/9/2009	12.1	13.8	\$1.70	12.32%
ARIA	Long	11/3/2009	11/6/2009	\$1.80	\$2.17	\$0.37	17.05%
HEB	Long	11/3/2009	11/6/2009	\$1.13	\$1.22	\$0.09	7.38%
OSG	Short	10/20/2009	10/23/2009	\$45.00	\$41.00	\$4.00	9.76%
DUG	Long	9/17/2009	10/6/2009	\$13.84	\$14.25	\$0.41	2.88%

Understanding Examples:

Examples shown are starting points for looking for a trade. The market, sector and stock should all be telling the same story to enter a trade. An example of a stock is just 25% of the story, you still need to get the broad market (50%) and sector (25%) to line up.

The term "Proving the Point" comes from a term coined by the original evangelist of price and volume trading, Richard Wyckoff. The term refers to when a stock goes through a previous swing point with significantly less volume and pops back into the trading range defined by the previous swings. It has proved the point that there was no demand for higher prices or supply for lower prices, at that time. Usually there is an automatic rally or decline where rapid and predictable price changes occur. This is the majority of the examples and pick we show in the newsletter.

SOS stands for "sign of strength", a big candle (big price change) where volume is significantly higher and instantly stands out on the chart. Usually this happens at previous swing high(s) and breaks through the Ice. A "sign of weakness" is a big candle with a downward bias and heavy volume (SOW).

Path of least resistance is a term to describe what will be almost an inevitable advance or decline when supply and demand are stretched to either direction. This happens when both the leg volume of a price move and the swing point of a price move distinctly have a volume change that is dramatic. We like 50% in stocks and 25% changes in ETF's and indexes. The ETF and Index number is a rule of thumb and it varies by the outstanding interest in this instruments.

Mission:

Our mission to list and diagram the most likely changes in price direction of stocks based on price and volume movements. We will from time to time publish trades for tracking purposes.

Newsletter Information:

Proving the Point is published each trading day exclusive of the last two weeks of August and December. Questions can be addressed to help@ord-oracle.com.

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